

**SAN DIEGO COUNTY REDEVELOPMENT AGENCY  
FIVE YEAR IMPLEMENTATION PLAN  
FOR THE UPPER SAN DIEGO RIVER IMPROVEMENT PROJECT  
Health and Safety Code Section 33490**

Fiscal Year 04/05 - Fiscal Year 08/09

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## PART 1. INTRODUCTION

### SECTION 1. PLAN PREPARATION AND ORGANIZATION

#### Identification

This document is the Five Year Implementation Plan (the "Plan") for the Upper San Diego River Improvement Project (USDRIP) for FY 2005 - 2009. The USDRIP is a project of the San Diego County Redevelopment Agency (the "Agency"), and is located in the unincorporated community of Lakeside in San Diego County (the "County").

#### Legal Authority

This Plan has been prepared to meet the requirements of Section 33490 of the California Community Redevelopment Law, Health and Safety Code Section 33000 et seq. (the "Law"). (Unless otherwise noted, all subsequent section references are to the Health and Safety Code contained in the Law.)

#### Adoption Deadline

Section 33490(a)(1) requires that this Plan be adopted on or before December 31, 1994, and each five years thereafter.

#### Mid-Plan Review Requirement

Section 33490(c) requires that this Plan be reviewed at a public hearing no earlier than two years and no later than three years from its adoption.

#### Contents

Pursuant to the requirements of Section 33490, this Plan sets forth the Agency's:

- Specific goals and objectives for the USDRIP.
- Specific programs and expenditures planned for the next five years.
- Explanation of how the goals, objectives, programs and expenditures will eliminate blight.
- Explanation of how the goals, objectives, programs and expenditures will implement the low and moderate income housing set aside and housing production requirements as set forth in the Health and Safety Code Section 33334.2, 33334.4, 33334.6 and 33413.

- Housing units to be rehabilitated, price-restricted, assisted or destroyed.
- Plan for using annual deposits to the Housing Fund.
- Proposed locations for any replacement housing required by Section 33413 if existing affordable housing is destroyed.
- Affordable Housing Compliance Plan required by Section 33413(b)(4).

### **Community Participation**

Community participation in the creation of the Plan was encouraged through the use of existing citizen advisory committees, public noticing, and a public hearing.

### **USDRIC Advisory Committee**

The draft Five Year Implementation Plan was reviewed by the Upper San Diego River Improvement Committee ("USDRIC"), the citizen's advisory group for the USDRIP. USDRIC members are property owners in the USDRIP and/or community representatives in the Lakeside area. Their recommendations have been incorporated into this Plan where feasible, and forwarded to the Agency for consideration.

### **Lakeside Community Planning Group**

A draft copy of the Plan was distributed to the Lakeside Community Planning Group. Their recommendations have been incorporated into this Plan where feasible, and forwarded to the Agency for consideration.

### **Public Notice**

Notice of the Agency's public hearing was posted at the following project locations in compliance with Section 33490(d):

- Lakeside Fire Protection District at Woodside Avenue
- Hanson Aggregate 10322 Channel Road.
- Lakeside Middle School at 11833 Woodside, Lakeside.

- Lakeside Farms Elementary School at 11915 Lakeside Avenue, Lakeside.

Notices were also posted at the following additional locations:

- County Public Library, Lakeside Branch, 9839 Vine Street, Lakeside.
- Lakeside Community Center.
- County Clerk, 1600 Pacific Highway, San Diego.
- Department of Planning and Land Use, Lobby Kiosk, 5201 Ruffin Road, San Diego.

#### Notice Dates

Posting for the Agency Board hearing was conducted 35 days prior to the hearing. In addition, notice of the hearing was published in the San Diego Commerce, a newspaper of general circulation.

#### Public Hearing

A public hearing was conducted prior to the adoption of this Plan. The hearing was duly noticed as described above.

## SECTION 2.

## PROJECT BACKGROUND

#### Project Area Location

The USDRIP is a redevelopment project approximately 529 acres in size located along both sides of the San Diego River and along Highway 67 in the Lakeside community (the "[Project Area](#)").

#### Governing Documents

As of August [4, 2006](#), the Agency had adopted or amended the following documents to guide redevelopment in the USDRIP:

- The Redevelopment Plan adopted July 18, 1989, Ordinance No. 7652 (N.S.), Minute Order No. 61. This document sets the boundaries of the USDRIP, establishes Agency goals and objectives for the Project Area, and describes the powers of the Agency in meeting these goals and objectives.

- The RiverWay Specific Plan, SP 90-003, adopted March 6, 1991, Minute Order No. 5A and amended August 9, 2000 (SPA 00-002), Minute Order No.1, and April 5, 2006 (SPA 05-003). Two additional amendments to the Specific Plan are currently pending (SPA 04-001 and SPA 06-006). The RiverWay Specific Plan establishes land use and other zoning and design controls for the Project Area.
- Public Facilities Financing Plan, originally adopted as part of the RiverWay Specific Plan on March 6, 1991 and amended on August 9, 2000 as part of the Specific Plan Amendment (SPA 00-002). This document describes the public facilities that exist in the Project Area, discusses which facilities are needed, and proposes a strategy to finance needed improvements.
- Habitat Management Plan, originally adopted as part of the RiverWay Specific Plan on March 6, 1991 and amended on August 9, 2000 as part of the Specific Plan Amendment (SPA 00-002). This document describes the habitat present in the Project Area and how it is intended to be restored and managed.
- The USDRIP (Flood Control) Plan and Profile, adopted December 8, 1992, Minute Order No. 44 and amended March 29, 2000, Minute Order No.4. The Flood Control Plan establishes the future alignment of the San Diego River and the structures required for flood control in the Project Area. An additional amendment to the Flood Control Plan is currently pending.

#### **Relationship Between Governing Documents**

The implementation of the Specific Plan, Habitat Management Plan, and Flood Control Plan is on-going. These Plans were established to function independent of the USDRIP, and will not automatically terminate with the termination of the Agency's USDRIP activities. However, the Agency is committed to implementing these Plans since they are consistent with the goals and objectives of the USDRIP Redevelopment Plan.

The Redevelopment Plan and Five Year Implementation Plan are

instruments of the Redevelopment Agency, and will terminate with the termination of the USDRIP project.

### Changing Governing Documents

Changes to [the Redevelopment Plan, Financing Plan, and Five Year Implementation Plan](#) require at least one public hearing and the approval of the Board of Supervisors. In the case of the Financing Plan and Five Year Implementation Plan the Board of Supervisors would take action as the Redevelopment Agency.

It should be noted that [these](#) governing documents may be amended from time to time in order to implement the goals and objectives of the County and/or the Redevelopment Agency. Amendments will always be conducted with input from affected property owners and as part of a noticed public hearing.

### Statutory Timelines

Certain timelines established by the Law limit actions of the Agency. These limitations must be taken into consideration when implementing Agency programs. These timelines are as shown in Table 1.

### Definition of Blight

AB 1290 modified Article 3, Section 33030, et seq., of the Law's blight definition and blight finding requirements. The definition of blight that was in effect on July 18, 1989 (when the Redevelopment Plan for the USDRIP was adopted) is quoted in Table 2 for easy reference.

### [Future of USDRIP Project](#)

[Over the past several years there has been much discussion over the future of the USDRIP Project Area and whether to continue with the Project Area or to terminate it. At the time of preparation of the current Implementation Plan, the Agency was coordinating with the community and interested agencies to assess the current state of the Project Area and determine the next courses of action. Because of the uncertainty over the future of the Project Area, the Project Area currently has no debt and therefore is not eligible to receive tax increment.](#)

TABLE 1

STATUTORY TIMELINES FOR USDRIP PER CALIFORNIA COMMUNITY  
REDEVELOPMENT LAW AS OF AUGUST 4, 2006

KEY DATE	DESCRIPTION	EXTENSION OK?
07/18/2001	Eminent Domain cannot be initiated after this date.	Yes, by plan amendment up to termination of Plan in 2029
07/18/2009	No additional debt may be incurred after this date.	Can eliminate deadline entirely. <b>[33333.6(e)(2)(B)]</b>
07/18/2029	Plan terminates except for repayment of debt.	Yes, one ten-year extension if blight finding can be made. <b>[33333.10(a)(2)]</b>
07/18/2039	Tax increment no longer available to pay debt.	Yes, to not more than 10 years after termination of Plan if blight findings can be made. <b>[33333.10(a)(2)]</b>

TABLE 2

EXCERPT FROM THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
IN EFFECT ON JULY 18, 1989

SECTION	EXCERPT
33030	A blighted area is one which is characterized by one or more of those conditions set forth in Sections 33031 or 33032, causing a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone.
33031	A blighted area is characterized by the existence of buildings and structures, used or intended to be used for living, commercial, industrial, or other purposes, or any combination of such uses, which are unfit or unsafe to occupy for such purposes and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime because of any one or a combination of the following factors:



SECTION	EXCERPT
	<ul style="list-style-type: none"> <li>(a) Defective design and character of physical construction.</li> <li>(b) Faulty interior arrangement and exterior spacing.</li> <li>(c) High density of population and overcrowding.</li> <li>(d) Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities.</li> <li>(e) Age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses.</li> </ul>
33032	<p>A blighted area is characterized by properties which suffer from economic dislocation, deterioration, or disuse because of one or more of the following factors which cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social, or economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone:</p> <ul style="list-style-type: none"> <li>(a) The subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development.</li> <li>(b) The laying out of lots in disregard of the contours and other topography or physical characteristics of the ground and surrounding conditions.</li> <li>(c) The existence of inadequate public improvements, public facilities, open spaces, and utilities which cannot be remedied by private or governmental action without redevelopment.</li> <li>(d) A prevalence of depreciated values, impaired investments, and a social and economic maladjustment.</li> </ul>

### Types of Blight in the USDRIP

The USDRIP is characterized by properties which suffer from economic dislocation, deterioration, and/or disuse because of one or more of the following factors (pursuant to the blight definition found in Table 2):

- Lots are of irregular form and shape and inadequate size for proper usefulness and development under current zoning.
- Lots have been laid out with disregard to the existing alignment of the San Diego River.
- Inadequate public improvements such as flood control structures, streets, traffic circulation, sewers, curbs, gutters, fire protection facilities, and/or water service, which cannot be remedied by private or governmental action without redevelopment.
- A prevalence of depreciated land values, impaired investments, and economic maladjustment.

**Land Use  
Description**

The approximate gross area of each land use category as adopted in the RiverWay Specific Plan is summarized in Table 3.

TABLE 3

## LAND USE BREAKDOWN FOR USDRIP

LAND USE TYPE	ACRES	RESIDENTIAL UNITS
Industrial	258	0
Residential	73	544
Commercial	16	0
Floodplain	155	N/A
Public Services	27	N/A
Recreational	Trail Acreage Unknown Until Trails are Built	N/A

**SECTION 3. AGENCY GOALS****Introduction**

This Section lists the goals for the USDRIP as recorded in the adopted Redevelopment Plan (Section IV). Goals are grouped in categories according to their primary area of concern.

**Blight**

The following goals are primarily intended to combat blight in the Project Area:

- (B1) Eliminate and prevent the spread of blight and deterioration and conserve, rehabilitate, and develop the Project Area in accordance with the Specific Plan.
- (B2) Provide employment opportunities for the residents of the Community.
- (B3) Encourage private sector investment in the development of the Project Area.
- (B4) Facilitate, if necessary, reparcelization of land into reasonable sized and shaped parcels served by an improved public infrastructure and public facilities.
- (B5) Expand the resource of the developable land by obtaining, if necessary, underutilized land and making it available for development.
- (B6) Develop safeguards against noise and water and soil pollution to enhance future industrial/commercial activity in the Project Area.

**Public  
Participation and  
Cooperation**

The following goals are primarily intended to encourage public participation and promote cooperation among interested parties in the redevelopment area:

- (P1) Encourage the cooperation and participation of residents, businesspersons, public agencies and community organizers in the revitalization of the Project Area.
- (P2) Coordinate revitalization efforts in the Project Area with

other public programs of the County and Lakeside community.

### **Flood Control**

The following goal calls for the development of a flood control channel in the Project Area and stresses the need for public-private partnership in establishing this facility:

- (F1) Improve the San Diego River channel and eliminate flood hazards that constrain the development of various parcels in the Project Area, the cost of which cannot be borne by private enterprise acting alone.

### **Habitat Reclamation**

The following goals are related to preserving or reclaiming valuable habitat lands:

- (H1) Facilitate the recycling of existing sand and gravel extraction activities to uses that are more environmentally sensitive and compatible with the riparian habitat in the Project Area.
- (H2) Implement a San Diego River Flood Control and Environmental Rehabilitation Plan that is consistent with the goals of the Army Corps of Engineers, the California Department of Fish and Game, and the County of San Diego, Project Area property owners, and the Community.
- (H3) Provide for the enhancement and rehabilitation of the riparian habitat, especially as it relates to promoting recovery of the least Bell's vireo, a Federally protected songbird.
- (H4) Promote public improvements and facilities that are sensitive to the unique environmental characteristics of the Project Area.

### **Community Enhancement**

The following goals enhance the value of the USDRIP to the community of Lakeside. It is expected that these improvements will increase private interest and investment in the USDRIP as a whole, thereby improving private investment in the area and contributing to the elimination of blight.

- (C1) Provide additional recreation opportunities for the Community within the constraints imposed by Federal and State environmental agencies.
- (C2) Provide needed improvements to the Community's educational and other facilities to better serve the Project Area.
- (C3) Control unplanned growth by guiding new development to meet the needs of the Community.
- (C4) Achieve an environment reflecting a high level of concern for architectural, landscape, and suburban design principles appropriate to the goals of this Plan and applicable community plans.

(C5) Alleviate certain environmental deficiencies, including substandard vehicular parking and pedestrian circulation systems, insufficient off-street parking and other similar public improvements.

#### LMI Housing

The following goal ensures that the USDRIP provides its fair share of low and moderate income ("LMI") housing in the Lakeside community:

- (L1) Make provisions for housing as is required by the California Community Redevelopment Law to satisfy the needs and desires of the various age, income, and ethnic groups of the Community, maximizing the opportunity for individual choice.

## SECTION 4.

### AGENCY OBJECTIVES

#### Introduction

This Section identifies objectives of the Agency and groups them under the same categories used for Agency goals in Section 3 of this Plan. The objectives are based on the general development actions identified in Section V.A of the Redevelopment Plan but may be modified or expanded upon in this Implementation Plan as appropriate.

## **Blight**

The following objectives are primarily aimed at curtailing blight in the Project Area:

- (B1) Rehabilitate, remodel, demolish, or remove buildings, structures, and improvements that are contributing to the blighted conditions in the USDRIP (Redevelopment Plan, Section V, A #5).
- (B2) Develop or redevelop land through private enterprise or public agencies for purposes and uses consistent with the objectives of this Plan (Redevelopment Plan, Section V, A #9).
- (B3) Manage property acquired by the Agency (Redevelopment Plan, Section V, A #10).
- (B4) Provide financial assistance for the construction of industrial and commercial buildings, to the extent that is practical and allowed by the Law, to increase the industrial and commercial base of the Community, and the number of temporary and permanent jobs in the Community and the East County Region (Redevelopment Plan, Section V, A #11).

## **Public Participation and Cooperation**

The following objectives are intended to meet the Agency's goals of broad-based community participation in the USDRIP:

- (P1) Provide participation opportunities for owners and tenants presently located in the USDRIP, and extend preferences to occupants desiring to remain or be relocated within the redeveloped Project Area (Redevelopment Plan, Section V, [A #7](#)).
- (P2) Provide relocation assistance to displaced residential and nonresidential occupants (Redevelopment Plan, Section V, [A #8](#)).

## **Flood Control**

The following objective is for flood control:

(F1) Install flood control and other required improvements to the San Diego River channel (Redevelopment Plan, Section V, [A #2](#)).

## Habitat Reclamation

The following objective is for habitat reclamation:

(H1) Restore and develop the degraded riparian habitat adjacent to the San Diego River channel (Redevelopment Plan, Section V, [A #3](#)).

## Community Enhancement

The following objective is intended to make the USDRIP a better neighbor to other members of the Lakeside community:

(C1) Develop recreation areas for the USDRIP and Community residents (Redevelopment Plan, Section V, [A #4](#)).

(C2) Install, construct, reconstruct, redesign, and reuse streets, utilities, curbs, gutters, sidewalks, traffic control devices and other public improvements (Redevelopment Plan, Section V, A #1).

## LMI Housing

The following objective is intended to ensure that the USDRIP meets its fair share of LMI housing in the Lakeside community:

(L1) Rehabilitate, develop or construct affordable housing in compliance with the Law (Redevelopment Plan, Section V, [A #6](#)).

## SECTION 5.

## ACCOMPLISHMENTS TO DATE

### Introduction

As noted in previous sections, the Agency established its goals in 1989 with the adoption of the USDRIP Redevelopment Plan. Objectives are identified in this Plan based on the adopted goals. This Section describes the Agency's progress in meeting these goals and objectives as of July 1, 2005 (the start of the 2005-06 Fiscal Year).

### Funding

Property Owner Contributions. Property owners have contributed to the development of the RiverWay Specific Plan and the Flood

Control Plan and have financed site reclamation, the construction of flood control structures and revegetation of the San Diego River throughout the 5-year period.

Infrastructure Funding. TRANSNET funds for road improvements have been used for the realignment and widening of Channel Road and Channel Road Bridge, building a drop structure in association with the Bridge and the widening of Riverside Drive.

### Home Building

During the previous 5-year period (FY 00-04), 98 homes were built. To date, an additional 143 homes have been approved but not built and 13 homes are currently in the entitlement process.

### Industrial and Commercial Growth

The previous 5-year period has seen the construction of The Turning Point Publishing Company's Headquarters, the B&B Trucking headquarters complex and the A-1 Self Storage facility, as well as the approval of a Site Plan for the development of an industrial park east of Palm Row Drive that is currently under construction.

### Housing Accomplishments

On January 8, 2003, the Board of Directors approved the use of \$1,530,215 from the Redevelopment Agency's Low and Moderate Income Housing Fund to administer and fund the Local Rental Subsidy Program. The program was established to provide rental assistance to approximately 65 low-income families in accordance with the requirements of Community Redevelopment Law. Through an agreement with the Redevelopment Agency, the County Housing Authority administers the program.

On September 16, 2003, the Board of Directors approved a \$1 million redevelopment loan from the Low and Moderate Income Housing Fund for MAAC Project, a local affordable housing developer. The Agency entered into an agreement with MAAC Project on June 10, 2004 for the acquisition of restrictive covenants at Villa Lakeshore, a 34-unit apartment complex located in Lakeside. The units will be affordable to low and moderate-income families for a period of 55 years.



The Agency can only meet 50 percent of the inclusionary housing obligation with the acquisition of restrictive covenants. In addition, since the Villa Lakeshore housing project was located outside the project Area, the Agency had to provide two affordable units outside the Project Area for each unit that otherwise would have been required to be available inside the Project Area. As a result, 34 units were made available to low and moderate income families, but only 15 units counted towards the Agency's inclusionary housing requirement.

## PART 2. AGENCY PROGRAMS

### Introduction

The goals and objectives listed in previous sections are expected to require on-going effort throughout the life of the redevelopment project. Agency goals and objectives will be met, in part, over the five year life of this Plan through the programs listed in this Section. However, because of the uncertainty over the future of the Project Area, these programs may not be undertaken until further direction is developed by the Agency and community.

### Organization

Programs are grouped into five general activities: reuse of vacant and underutilized properties; financing; housing; public services and facilities; and project management and assessment. Program descriptions discuss how each program is intended to contribute to the revitalization of the Project Area.

### Blight Elimination

The programs that follow will assist landowners and community members in eliminating blight by supplementing the private activities that are underway. The 2000 Specific Plan Amendment expanded the range of allowable uses, giving property owners an incentive to complete reclamation and seek appropriate reuse. Based upon the successful private actions that have resulted in new housing and new industrial development, this approach will continue to be used.

### Program Modification

Due to the complexities of the USDRIP, projects may evolve and change as conditions within and around the USDRIP change. Programs may be altered, added or discontinued by Agency staff, as conditions within the Project Area change.

## SECTION 1.

## REUSE OF VACANT AND UNDERUSED PROPERTIES

### Landowner Assistance

#### Program R-1: Landowner Assistance

Need: The Project Area contains a significant amount of vacant and underused land. Much of the land is undergoing reclamation to make the land ready for reuse. The 2000 Specific Plan

Amendment has expanded the range of allowable uses so the property owners can more readily market their properties.

Program: Assist property owners as requested in reviewing potential uses for compatibility with the Specific Plan. The owners will have the primary role in seeking and establishing appropriate uses when reclamation is complete.

Purpose: Establish appropriate land uses.

## SECTION 2.

## FINANCING

### Tax Increment

#### Program F-1: Tax Increment Funding

Need: The USDRIP's tax increment funds are the most important source of financing available to the Agency. These funds are computed as follows:

1. The taxable value of property within the redevelopment project is determined for the year the Redevelopment Plan is adopted. This becomes the "base year".
2. In successive years, the Agency receives all tax revenues in excess of base year revenues, minus any funds that have been negotiated to be paid through "pass through" agreements.

Therefore, as property values increase, more tax increment funding becomes available to pay for needed improvements and combat blight in the Project Area.

It should be noted that the Agency is only entitled to tax increment for debt it has actually incurred. Consequently, the Agency is always working with a deficit.

Program: Expend tax increment funds to repay debt and benefit the Project Area.

Purpose: Continued adherence to the Law.

**Grant Writing****Program F-2: Grant Writing**

**Need:** Grant funds are available from a variety of sources for infrastructure, habitat reclamation, open space, recreation, clean water and low income housing projects. However, there is heavy competition for grant funds, and applications must be drafted and forwarded for consideration. The Agency will partner with non-profit and other community based organizations to seek grants for those purposes.

**Program:** Research the availability of grant sources for infrastructure, habitat reclamation, open space, recreational facilities and low income housing, and apply for grant funds, or partner with non-profits and other community based organizations when appropriate.

**Purpose:** Continue improving the community in order to eliminate blight and attract business to the area.

**SECTION 3.****HOUSING****Housing****Program H-1: Housing**

**Need:** The Agency may meet its requirements under State redevelopment law by providing low and moderate-income housing inside or outside the Project Area. The Agency may supplement the required 20 percent set-aside with other tax-increment funds or other eligible funding sources.

**Program:** Issue a Notice of Funding Availability (NOFA) to encourage and identify opportunities to subsidize Very Low-, Low- and Moderate-income housing units in the Lakeside community. Provide housing assistance to assist in the creation of housing opportunities. Expend the low- and moderate-income housing fund in a timely manner.

**Purpose:** Provide low and middle-income housing.

**SECTION 4. PUBLIC SERVICES AND FACILITIES****Recreation**Program P-1: Recreation

Need: The Project Area has been characterized by sand mining and industrial uses for several decades. It lacks recreation facilities and other amenities. This detracts from the ability of the community to attract businesses that would ameliorate the blighted conditions.

Program: Assist in creation of recreational opportunities and other community amenities such as trails, observation areas, and other passive, and active recreational amenities.

Purpose: Provide an environment that will attract quality business and industrial development to the Project Area in order to remove the blighted conditions.

**SECTION 5. PROJECT AREA MANAGEMENT AND ASSESSMENT****Project Viability  
Assessment**Program M-1: Project Viability Assessment

Need: The Agency is currently coordinating with the community and interested agencies to assess the current state of the Project Area and determine the next courses of action. In order to assist with these efforts, an independent analysis of the Project Area's viability is needed.

Program: The Agency will contract with an independent outside consultant to examine and report on the viability of USDRIP.

Purpose: To provide necessary data and recommendations to allow stakeholders and the Agency to develop informed recommendation for the future of the Project Area.

**Management**Program M-2: Management

Need: During the life of the Project Area, administration and management for the Project Area have been provided by an ever-changing assortment of County of San Diego staff. Lack of

continuity and dedicated administrative and management staff have hindered the abilities to formulate and implement programs.

Program: Should the Agency decide to continue with the Project Area after assessment of its viability, review potential management solutions for the Project Area such as contracting with a management firm or individual, or funding a full-time project manager position.

Purpose: To provide necessary management resources for effective and responsive operations of the Project Area.

#### **Lakeside Fire Protection District Coordination**

Program M-3: Lakeside Fire Protection District Coordination

Need: Redevelopment of the Project Area increases demands for fire protection services, which have been determined inadequate for the Project Area. The addition of equipment and facilities to the local fire service agency, the Lakeside Fire Protection District, can improve services to the Project Area and community, thus facilitating revitalization.

Program: Should the Agency decide to continue with the Project Area after assessment of its viability, enter into discussions with the Fire Protection District to identify potential ways for the Project Area to improve fire protection services to the Project Area.

Purpose: To improve fire protection services to the Project Area.

#### **Housing**

Program M-4: Housing

Need: A desire has been voiced to pursue low and moderate - income housing opportunities within the Project Area.

Program: Should the Agency decide to continue with the Project Area after assessment of its viability, review potential for facilitating the development of low and moderate-income housing within the Project Area.

Purpose: Provide low and moderate-income housing within the Project Area.

## PART 3. HOUSING PLAN

### SECTION 1. INTRODUCTION

#### Purpose

Pursuant to requirements of the Law, the Five-Year Implementation Plan for the USDRIP Project Area must also address the Agency's housing responsibilities. Part 3 complies with that requirement and sets forth the Agency's program for ensuring not less than 20 percent of all taxes allocated to the Redevelopment Agency of the County of San Diego for the USDRIP Project Area shall be used for purposes of increasing, improving, and preserving the community's supply of low-and moderate-income housing.

#### Contents

Pursuant to the requirements of Section 33413 and Section 33490, this Housing Plan sets forth the Agency's program for ensuring that the appropriate number of very low, low, and moderate income housing units will be constructed within or around the USDRIP Project Area over the next five years. To that end, this Housing Plan accomplishes the following:

- Accounts for the number of affordable dwelling units, either constructed or substantially rehabilitated, in the Project Area.
- Identifies locations within the Project Area suitable for affordable housing.
- Forecasts the estimated number of dwelling units to be privately developed or substantially rehabilitated over the next five years.
- Forecasts the estimated number of dwelling units to be developed or substantially rehabilitated by the Agency over the next five years.
- Specifies the amount available in the Low and Moderate Income Housing Fund and provides an estimate of revenues the Agency will receive for this fund during the next five years.



- Identifies implementation policies and programs for affordable housing development.
- Provides a Housing Plan to ensure the requirements of Sections 33333.10, 33334.2, 33334.4, 33334.6, and 33413 are met in the next five years, and that progress is made toward satisfying the requirements of Section 33413 as applicable over the life of the Redevelopment Plan.
- Reviews the affordable housing goals, objectives, and programs contained in the Housing Element to confirm this Housing Plan is consistent with the adopted San Diego County Housing Element.

## Definitions

The following terms used in this Plan are defined as follows:

Very Low Income: No more than 50 percent of the area median income.

Low Income: 51-80 percent of area median income.

Moderate Income: 81-120 percent of area median income.

Substantial Rehabilitation: "Rehabilitation, the value of which constitutes 25 percent of the after rehabilitation value of the dwelling, inclusive of the land value."

Substantially Rehabilitated Dwelling Units: "Substantially rehabilitated multi-family rented dwelling units with three or more units regardless of whether there is agency assistance, or substantially rehabilitated, with agency assistance, single-family dwelling units with one or two units."

## Housing Requirements

Since 1976, redevelopment agencies have been required to assure that at least 30 percent of all new or rehabilitated units developed by an agency are available at affordable costs to households of low or moderate income. Of this 30 percent, half are required to be available at affordable costs to very low-income households. Section 33413 requires that at least 15 percent of all new or rehabilitated dwelling units developed within each project area by entities other than the Agency be made

available at affordable costs to low or moderate income households. Of this 15 percent, 40 percent are required to be available at affordable costs to very low-income households. These requirements are applicable to housing units as aggregated. Requirements are not to be applied on a case-by-case basis to each dwelling unit created or rehabilitated unless required by the Agency.

## SECTION 2.

## AFFORDABLE HOUSING PRODUCTION TO DATE

### Purpose

This Section identifies the number of dwelling units that have been destroyed, removed, constructed, or substantially rehabilitated within the Project Area to date. It also reports on the number of new or rehabilitated housing units that have been produced to date outside the Project Area as a result of Agency action. This information is then used to determine if the Project Area has an existing housing production deficit.

### Timing Required

For all redevelopment projects adopted after January 1, 1976, the Law requires that affordable housing be provided in conjunction with: 1) the destruction or removal of existing affordable housing units within the Project Area performed by written agreement with the Agency or where financial assistance has been provided by the Agency; or 2) development of new or substantially rehabilitated dwelling units within the Project Area whether or not the development or rehabilitation was performed with Agency assistance.

### Substituting Units Outside Project Area

Pursuant to Section 33413(b)(2)(A)(ii), the Agency may, after adopting an appropriate resolution, meet all or part of the Project's inclusionary affordable housing obligation by causing to be available, at affordable housing costs, two units outside the Project Area for each unit that otherwise would have had to be available inside the Project Area. Thus, the Agency may, meet its inclusionary affordable housing obligation by developing or assisting in the development or rehabilitation of affordable housing outside the Project Area.

**Activity Inside  
Project Area**

Agency Assisted Destruction or Removal. The Redevelopment Plan does not contain a project that will result in the removal of dwelling units housing persons and families of low or moderate income that would have to be replaced. To date, the Agency has not entered into any agreement or assisted any project financially that has destroyed or removed dwelling units housing persons and families of low or moderate income in the Project Area.

Substantial Rehabilitation and Construction. No residential units have been substantially rehabilitated, with Agency assistance, within the Project Area since the adoption of the Redevelopment Plan.

**Activity Outside  
Project Area**

On January 8, 2003 (1) the Board of Directors approved the use of \$1,530,215 from the Redevelopment Agency's USDRIP and Gillespie Field Areas' Low and Moderate Income Housing Fund to administer and fund the Local Rental Subsidy Program. The Local Rental Subsidy Program provides rental subsidies to at least 65 households. Rental assistance is provided in accordance with the requirements of the Law.

In 2004, the Agency provided a \$1 million loan to the Metropolitan Area Advisory Committee (MAAC), a local affordable housing developer, for the acquisition of restrictive covenants at the Villa Lakeshore Apartments in Lakeside. The loan will preserve the affordability of 34 units for low and moderate-income families for a period of 55 years.

The Agency can only meet 50 percent of the inclusionary housing obligation with the acquisition of restrictive covenants. In addition, since the Villa Lakeshore housing project was located outside the project Area, the Agency had to provide two affordable units outside the Project Area for each unit that otherwise would have been required to be available inside the Project Area. As a result, 34 units were made available to low and moderate income families, but only 15 units counted towards the Agency's inclusionary housing requirement.

The Agency will continue to cooperate with, and provide financial assistance and incentives to, nonprofit organizations and private

developers for development or rehabilitation of affordable housing units both inside and outside the Project Area. The Agency will utilize the County Department of Housing and Community Development's Notice of Funding Availability (NOFA) process to encourage and fund development and rehabilitation projects.

### SECTION 3.

### AFFORDABLE HOUSING FORECASTS AND LOCATIONS

#### Purpose

This Section is intended to identify general locations for affordable housing and to estimate the affordable housing obligation for the life of the Project Area.

#### Housing Locations

Inside the Project Area: The USDRIP has two areas zoned for residential development. The primary residential area is located in the northwest corner of the Project Area, is approximately 69 acres in size, and can be developed to a maximum density of 541 dwelling units. A smaller residential area is located at the corner of Lakeside Avenue and Riverside Drive. It is approximately 4 acres in size and has a maximum density of 12 dwelling units. The actual density for each of these areas will depend upon the final design of the development, environmental constraints, and market considerations.

Outside the Project Area: The Lakeside Community has a considerable number of multifamily complexes that may be eligible for rehabilitation and construction assistance. The Agency will consider offering further financial assistance to qualified groups or individuals who submit proposals under the County Department of Housing and Community Development's NOFA process.

This activity will include using housing subsidy programs available through the Department of Housing and Community Development to provide rental and/or purchase subsidies or rehabilitation assistance to increase the availability of housing to very low-, low- and moderate-income persons. Funds will come from the housing set aside fund and may be supplemented with non-restricted tax increment funds or other eligible funding sources.

**Rehabilitation  
in Project Area**

The Agency will consider offering financial assistance, as housing funds are available, to qualified developers or individuals who submit proposals to substantially rehabilitate property for affordable housing through the County Department of Housing and Community Development's NOFA process.

**Agency Activity**

The Agency does not plan to directly develop or rehabilitate any dwelling units. If the Agency did so, it would trigger the requirement that at least 30 percent of the units be affordable and be available within 10 years. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers in order to meet affordable housing production goals by using the County Department of Housing and Community Development's NOFA process.

Housing activities will include using housing subsidy programs available through the Department of Housing and Community Development to provide rental and/or purchase subsidies or rehabilitation assistance to increase the availability of housing to very low-, low- and moderate-income persons. Funds will come from the Low and Moderate Income Housing Fund, and may be supplemented with non-restricted tax increment funds or other County funding sources.

**Housing  
Estimates**

Since only private developers will be constructing housing in the USDRIP Project Area, 15 percent of all units constructed must meet affordable housing criteria. The requirement can also be met if two affordable units are built or substantially rehabilitated outside the Project Area for each unit that would otherwise be built or rehabilitated in the Project area. If the maximum number of residential units as described under "Housing Locations" were actually built, the number of affordable housing units that would be required is listed in Table 5.

TABLE 5

ESTIMATED NUMBER OF AFFORDABLE HOUSING UNITS  
TO BE DEVELOPED IN USDRIP OVER THE LIFE OF THE USDRIP

APPROXIMATE NO. OF RESIDENTIAL UNITS	MINIMUM NO. OF AFFORDABLE UNITS (LOW & MODERATE)	MINIMUM NO. OF VERY LOW INCOME	TOTAL NO. OF AFFORDABLE UNITS
302	27	18	45*

\*Affordable housing units can be provided outside the Project Area at a ratio of two units for each unit that would otherwise be provided inside the Project Area.

**Ten-Year  
Projection**

An application for a Tentative Map requesting 143 lots has been approved and 13 are in the entitlement process. At least 24 units would be required to be affordable with 10 required to be available for very low-income households. If the units are developed outside the Project Area, it would require 48 affordable units with 19 available to very low income households to meet the housing requirements. It is estimated that of the remaining property currently zoned for residential development (a potential 44 units), 35 percent or 16 units will be developed within the next 10 years. In order to meet the USDRIP's affordable housing obligation, at least 3 of those units would need to be affordable housing units with 1 available for very low-income families. Alternatively, 6 affordable housing units could be constructed or substantially rehabilitated outside the Project Area with 2 available for very low-income households.

**SECTION 4. REVENUE PROJECTIONS**

**Purpose**

This Section outlines sources of funding and revenue projections for affordable housing construction and rehabilitation.

## 20 Percent Set-Aside

The primary source for affordable housing funds is expected to come from the housing set-aside portion of the USDRIP's tax increment revenue. As required by Section 33334.2, the Agency deposits 20 percent of all tax increment revenue allocated to the Agency, pursuant to Section 33670, into a separate housing fund account for the Project Area known as the Low and Moderate Income Housing Fund (the "Housing Fund"). Projections for these set-aside funds are shown in Table 6.

TABLE 6

### HOUSING FUND PROJECTIONS\*

Fiscal Year	Tax Increment	20% Set-Aside	Cumulative Amount
2005-06	\$0	\$0	\$492,499
2006-07	\$0	\$0	\$492,499
2007-08	\$0	\$0	\$492,499
2008-09	\$0	\$0	\$492,499
2009-10	\$0	\$0	\$492,499

\*The fund balance available at the end of fiscal year 2004-05 was \$492,499.

According to the fiscal year 2005/06 Statement of Indebtedness for USDRIP, available revenue exceeds total indebtedness for the Project Area. As a result, the Project Area is not eligible to receive tax increment in fiscal year 2005/06. Sufficient debt has to be established in order to receive the total available tax increment. It does not appear that the Project Area's financial status will change during the next five years to make the Project Area eligible to receive tax increment. Based upon the continuation of that condition, no funds are projected to be deposited into the Housing Fund.

At the end of fiscal year 2004-2005, the Housing Fund balance unused allocations was \$492,499. The Agency plans to use the available funds in the Housing Fund in combination with other funding sources to meet the Agency's inclusionary housing obligation.

**Other Funding Sources**

Additional funding sources for affordable housing may be used in combination with redevelopment funds, and include one or more of the following: Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), HUD rental subsidies through the Section 8 program, Federal HOME Investment Partnerships Program funds, Housing for Persons With AIDS (HOPWA) funds, a variety of State housing programs, and/or Low Income Housing Tax Credits available as part of the 1986 Tax Reform Act. Agency staff will assist developers in securing alternate funding wherever possible.

**SECTION 5. IMPLEMENTATION OF THE AFFORDABLE HOUSING PLAN****Purpose**

The purpose of this Section is to show how the goals, objectives, and programs presented in Parts 1 and 2 of this Five Year Implementation Plan will implement the housing fund requirement, the Project Area housing production requirement, and the replacement housing requirement set forth in Sections 33334.2, 33334.4, 33333.10, 33334.6 and 33413.

**Compliance With Section 33334.2**

Section 33334.2 requires the Agency to set aside 20 percent of all tax increment allocated to the Agency pursuant to Section 33670, and to use these funds for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing. This Section is satisfied because 20 percent of the tax increment allocated to the Agency is deposited into the Housing Fund, and these funds will be used to increase the community's supply of low- and moderate-income housing available at affordable housing cost.

Agency Goal L1 and Objective L1, described in Part 1 of this Five Year Implantation Plan, provide for the Housing Fund and housing expenditure. These goals and objectives are expected to be implemented through the use of tax increment funds available for production of affordable housing. Private developers will be offered financial assistance through the County Department of Housing and Community Development's NOFA process, to assist in the development of affordable housing.



**Compliance With  
Section 33334.4**

Section 33334.4 requires agencies to expend, over each 10-year period of the implementation plan, “the moneys in the Housing Fund to assist housing for persons of low and very low income in at least the same proportion as the total number of housing units needed for those income groups which are not being provided by other governmental programs bears to the total number of units needed for persons of moderate, low and very low income within the community, as those needs have been determined for the community pursuant to Section 65584 of the Government Code.”

In addition this Section requires each agency to “expend over the duration of each redevelopment implementation plan, the moneys in the Housing Fund to assist housing that is available to all persons regardless of age in at least the same proportion as the population under age 65 years bears to the total population of the community as reported in the most recent census of the United States Census Bureau.”

Pursuant to Section 33490(a)(2)(A)(iii), the Agency must meet the requirements of Section 33334.4 described above on or before December 31, 2014 and each 10 years thereafter.

However, pursuant to Government Code Section 65584, the Agency will make an effort to spend funds in the Housing Fund to purchase affordability covenants, develop, or rehabilitate low- and moderate-income housing that will be made available to persons of low and very low income in at least the same proportion as the total number of housing units needed for each of those income groups bears to the total number of units needed for persons of moderate, low and very low income within the community, as those needs have been determined for the community. The Agency will utilize the County Department of Housing and Community Development's Notice of Funding Availability (NOFA) process to review and fund affordable housing projects in accordance with the required ratios.

**Compliance With  
Section 33334.6**

Section 33334.6 applies only to redevelopment projects that are not subject to the housing set aside requirements of Section 33334.2. As explained above, the USDRIP Project Area complies with the housing set aside requirements of Section 33334.2. Therefore, Section 33334.6 does not apply.

**Compliance With  
Section 33333.10**

Section 33333.10 applies to redevelopment projects for which the time limit on the redevelopment plan has been extended for up to 10 additional years. The redevelopment plan for the USDRIP Project Area has not been extended; therefore, Section 33333.10 does not apply.

**Compliance With  
Section 33413**

Section 33413 establishes production and inclusionary requirements for affordable housing. Section 33413(a) does not apply to this Project Area because no dwelling units are being destroyed or removed. The Agency must meet the requirements of Section 33413(b)(2)(A)(i) because private entities or persons have constructed or rehabilitated dwelling units within the Project Area. The inclusionary housing requirement will be met by making available eight affordable housing units to persons and families of low or moderate income. The Agency may meet the inclusionary housing requirement by providing two affordable units outside the Project Area for each unit that otherwise would have been required to be available inside the Project Area. Section 33413(b)(1) applies to dwelling units located outside a redevelopment project area that would be owned and constructed by an agency or that would be substantially rehabilitated using the Housing Funds. This Section does not apply because the Agency has not developed housing units inside or outside the Project Area.

**Estimate of Units  
To Be Assisted**

The number of new, rehabilitated or price restricted units to be assisted in the next five years will depend on whether non-profit organizations and developers participate in the NOFA process.

As noted previously, based on the fiscal year 2005/06 Statement of Indebtedness for USDRIP, the Project Area is not eligible to receive tax increment for fiscal year 2005/06. This condition is not expected to change over the next five years unless more debt is incurred. Therefore, no funds are projected to be deposited into the Housing Fund.

TABLE 7

## ESTIMATED HOUSING EXPENDITURES OVER FIVE YEARS

FISCAL YEAR	DEPOSITS INTO HOUSING FUND	ESTIMATED EXPENDITURE	ESTIMATED NUMBER OF UNITS
2005-06	\$0	\$0	0
2006-07	\$0	<u>\$0</u>	<u>0</u>
2007-08	\$0	<u>\$492,499</u>	<u>8</u>
2008-09	\$0	\$0	0
2009-10	\$0	\$0	0

**SECTION 6. COUNTY HOUSING ELEMENT COMPLIANCE**

**Purpose** Section 33413(b)(4) requires this Housing Plan to be consistent with the County's Housing Element. This Section explains how this Housing Plan is consistent with the County's adopted Housing Element.

**Housing Element Revision Used** The Housing Element in effect at the time of this writing was adopted in December 15, 1999. It is in process of being revised, but is not anticipated to be officially amended by the end of the 2006 calendar year. This Plan uses the 1999 Housing Element to evaluate the USDRIP Housing Plan.

**Element Goals** The goals of the Housing Element are to ensure:

1. That new residential construction will be made available to meet the needs of the region if adequate public services and facilities are in place.
2. That housing developers are assisted in providing adequate affordable shelter within an adequate living environment to all households in the region where public services and facilities are available by maximizing the use of all Federal and State programs available to the region to provide housing for very low and low-income households; and encouraging joint efforts by the region's jurisdictions and the County to accommodate their share of the regional housing need.

3. The expeditious processing of all ministerial and discretionary land use permits.
4. That housing stock is maintained in good repair.

**Consistency With  
Element Goals**

The USDRIP Housing Plan is consistent with the goals of the Housing Element because:

1. The Agency will continue to cooperate with, and provide financial assistance and incentives to, nonprofit organizations and private developers for new construction or rehabilitation of affordable housing units both inside and outside the Project Area.
2. As discussed in this Housing Plan, at least 15 percent of all new or rehabilitated dwelling units developed within the project area by entities other than the Agency will be made available at affordable costs to low or moderate income households. Of this 15 percent, 40 percent are required to be available at affordable costs to very low-income households. This will aid in ensuring that Housing Element Goal 2 is met. Similarly, 50 percent of units with restrictive covenants will be available at affordable housing cost to very low-income households.
3. The Agency will cooperate with developers and nonprofit organizations to facilitate the “processing of all ministerial and discretionary land use permits” as required by Housing Element Goal 3.
4. The Housing Plan will ensure that Housing Element Goal 4 is met by preserving or increasing the supply of safe and decent housing for low-income residents.